

FISCAL NOTE

SB 555 - HB 1549

March 1, 2007

SUMMARY OF BILL: Exempts utility items and equipment purchased by municipalities that own and operate a utility from the Municipal Purchasing Law.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – If purchases made by utilities for utility items and equipment are no longer competitively bid, there could be an increase in local government expenditures if the best market price is not obtained for such items. There could also be a decline in local government expenditures due to the lower administrative cost of purchasing certain items without competitive bidding. Such decline is not estimated to offset the increase in expenditures due to not competitively bidding such items. Due to the uncertainties involved with forecasting the decisions of local governments, a precise estimate of the net impact on local government expenditures is not quantifiable. Any impact to local governments is permissive.

Assumption:

- The Municipal Purchasing Law which requires the competitive bidding of certain items results in lower prices for goods purchased by local governments.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, appearing to read "James W. White".

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James W. White, Executive Director